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## UNITED STATES OF AMERICA POSTAL REGULATORY COMMISSION WASHINGTON, DC 20268-0001

Modification of Mail Classification Schedule Regarding Express mail and Express Mail International Docket No. MC2013-45

## PUBLIC REPRESENTATIVE COMMENTS ON POSTAL SERVICE NOTICE OF MINOR CLASSIFICATION CHANGE

(May 7, 2013)

In Order No. 1704,<sup>1</sup> the Commission established the above referenced docket on a Postal Service notice of minor classification changes concerning the renaming of Express Mail, Express Mail International, and the Express Mail Corporate Account (EMCA).<sup>2</sup> The Public Representative finds the Notice compliant with relevant statutes but lacking sufficient information for the Commission to analyze whether the proposed changes will achieve the stated goal of increasing customer demand for a pre-existing set of Express Mail products.

The Postal Service proposes to amend the Mail Classification Schedule (MCS) to change the following product names of "Express Mail" to "Priority Mail Express," and "Express Mail International" to "Priority Mail Express International." *Id.* The Postal Service also proposes to change its "Express Mail Corporate Account (EMCA)" to "USPS Corporate Account (USPSCA)." The Postal Service believes the name change will "refresh" public awareness, make existing Express Mail products more appealing through association with the Priority Mail brand name, and effectively consolidate the

<sup>&</sup>lt;sup>1</sup> Commission Order No. 1704, Notice and Order Concerning Classification Change Related to Express Mail and Express Mail International (Order), April 25, 2013.

<sup>&</sup>lt;sup>2</sup> Notice of the United States Postal Service of Minor Classification Changes, April 24, 2013 (Notice).

<sup>&</sup>lt;sup>3</sup> *Id. at 3.* The EMCA allows consumers to charge Express Mail Shipments to one account and deposit shipments paid through the account to any Express Mail collection box at a Post Office or with a postal letter carrier. https://www.usps.com/business/expressmail-corporate.htm. EMCA is not a product.

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Postal Service's shipping products under a single brand identity. *Id. at 1-2*. The Notice states the Postal Service seeks to change only the brand name of the two products from Express Mail to Priority Mail Express. *Id. at 1*. No substantive product change or change in price is proposed. The proposed renaming is scheduled to take effect July 28, 2013. *Id.* 

## **COMMENTS**

The Public Representative finds the Postal Service's proposed classification changes are consistent with 39 U.S.C. §3642. However, the Postal Service's assertion that renaming Express Mail and Express Mail International, and the subsequent consolidation of most of the Postal Service's shipping products under a single brand, will reinvigorate consumer demand is unsupported.

The instant proposal, as it relates to Express Mail and Express Mail International, unites the Express Mail products under the Priority Mail brand with near synonyms as names for shipping services with different service features.<sup>4</sup> However, the Postal Service's assertion that this unification will "reinvigorate Express Mail by leveraging the widespread consumer recognition of, and positive associations with, the Priority Mail brand," is tenuous and unsupported in three major ways.

First, the Postal Service fails to establish a logical causal nexus between the simple renaming and an increase in sale volume for the renamed products. Second, the Postal Service's claim lacks market research and empirical support demonstrating how the renaming of pre-existing products, unaccompanied by an economic incentive or product enhancement, is likely to increase product demand. Third, in its Notice, the

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<sup>&</sup>lt;sup>4</sup> Currently, the Postal Service has two separate and distinct shipping brands, "Express Mail" and "Priority Mail." Each brand has its own set of rates and service features. Express Mail is more expensive than Priority Mail. The Postal Service touts Express as its "fastest service, with a money-back guarantee and overnight delivery to most U.S. addresses, including PO Boxes." <a href="https://www.usps.com/business/express-mail-for-business.htm">https://www.usps.com/business/express-mail-for-business.htm</a>. The Postal Service promotes Priority Mail, its more affordable shipment mode, as a "great choice for shipping packages and envelopes;" that offers product "delivery in about 2 days, and [at] affordable prices...includes free pick up at [one's] door," and offers additional special savings and free USPS tracking if shopping online. <a href="https://www.usps.com/business/priority-mail-for-business.htm">https://www.usps.com/business/priority-mail-for-business.htm</a>

Postal Service is completely silent regarding the unavoidable costs related to the discard of Express Mail pre-printed packaging, the design and implementation of the new Priority Express logo, and the development and dissemination of a nationwide advertising campaign to educate consumers about the renaming.

## **CONCLUSION**

The proposed renaming, though minor in nature and appropriate for notice pursuant to 39 C.F.R. §§ 3020.90 and 3020.91,<sup>5</sup> is offered without a clear context. In the interest of the general public, the Public Representative encourages the Commission to seek more information from the Postal Service in order to conduct a well-informed analysis of the instant proposal.

The Public Representative respectfully submits the foregoing comments for the Commission's consideration.

Respectfully Submitted,

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<sup>&</sup>lt;sup>5</sup> Sections 3020.90 and 3020.91 permit the Postal Service to initiate changes to the MCS that do not constitute a proposal to modify either the market dominant or competitive product list. 39 C.F.R. § 3020.91.